

Financial Statements

Canso Select Opportunities Corporation

June 30, 2025

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Management's Responsibility for Financial Reporting

The accompanying unaudited interim Financial Statements have been prepared by Management. Management is responsible for the information and representations contained in these interim Financial Statements. Management has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The unaudited interim Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and include certain amounts based on estimates and assumptions. The material accounting policies that management believes are appropriate for Canso Select Opportunities Corporation ("CSOC") are described in Note 2 to the unaudited interim Financial Statements.

The Board of Directors is responsible for reviewing and approving CSOC's unaudited interim Financial Statements, overseeing management's performance of its financial reporting responsibilities and engaging the independent auditors. For all share classes of CSOC, the unaudited interim Financial Statements have been reviewed and approved by the Board of Directors.

Approved by the Board of Directors

(signed) "Jason Bell"

(signed) "Shirley Sumsion"

Jason Bell
Director

Shirley Sumsion
Director

Canso Select Opportunities Corporation
Interim Statements of Financial Position
As at June 30, 2025 and December 31, 2024
(Unaudited)

	June 30, 2025	December 31, 2024 (Audited)
	\$	\$
Assets		
Current Assets		
Investment in Canso Select Opportunities Fund, FVTPL (Note 6)	14,718,970	12,981,373
Investments through FVTPL (Note 5 and 6)	30,358,893	27,405,704
Cash and cash equivalents	407,625	104,845
Dividend receivable	8,950	16,309
Prepaid expenses	7,445	22,762
Total Current Assets	45,501,883	40,530,993
Non-current Asset		
Deferred tax assets	215,355	168,987
Total Assets	45,717,238	40,699,980
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	71,086	142,310
Non-current Liabilities		
Deferred tax liabilities	1,927,816	1,364,298
Total Liabilities	1,998,902	1,506,608
Shareholders' Equity		
Share capital (Note 4)	23,359,050	23,359,050
Contributed surplus	4,324,550	4,324,550
Retained earnings	16,034,736	11,509,772
Total Shareholders' Equity	43,718,336	39,193,372
Total Liabilities and Shareholders' Equity	45,717,238	40,699,980

Approved by the Board of Directors

Jason Bell
Director

Shirley Sumsion
Director

The accompanying notes are an integral part of these interim financial statements.

Canso Select Opportunities Corporation
Interim Statements of Comprehensive Income
Three months and six months ended June 30, 2025 and 2024
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Income				
Dividend income	366,564	393,339	968,488	569,678
Interest (expense) income	-	-	(43)	1,304
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:				
Realized loss on investments (Note 6)	(7)	-	(47,817)	(4,021)
Realized foreign exchange (loss) gain	-	-	(13,889)	3,195
Change in unrealized foreign exchange gain (loss)	295,573	(53,893)	106,283	(93,270)
Change in unrealized gain on investments (Note 6)	4,757,031	373,828	4,201,002	2,036,355
Total Income	5,419,161	713,274	5,214,024	2,513,241
Expenses (Note 5)				
Directors fees	22,929	22,929	45,858	54,111
Professional fees	35,991	41,676	68,614	70,845
Administration	22,990	22,840	44,931	36,651
Bank charges	542	94	806	426
Insurance	5,883	5,948	11,702	11,831
Total Expenses	88,335	93,487	171,911	173,864
Net Income before income taxes	5,330,826	619,787	5,042,113	2,339,377
Income tax expense				
Deferred	645,959	17,613	517,149	211,710
Total Income Tax Expense	645,959	17,613	517,149	211,710
Net income and comprehensive income for the period	4,684,867	602,174	4,524,964	2,127,667
Earnings per share attributable to shareholders				
Basic	\$0.90	\$0.12	\$0.87	\$0.41
Diluted	\$0.90	\$0.12	\$0.87	\$0.41

The accompanying notes are an integral part of these interim financial statements.

Canso Select Opportunities Corporation
Interim Statements of Changes in Equity
Six months ended June 30, 2025 and 2024
(Unaudited)

	2025			
	\$	\$	\$	\$
	Share capital	Contributed surplus	Retained earnings	Total
Opening balance, January 1, 2025	23,359,050	4,324,550	11,509,772	39,193,372
Net income for the period	-	-	4,524,964	4,524,964
Ending balance, June 30, 2025	23,359,050	4,324,550	16,034,736	43,718,336

	2024			
	\$	\$	\$	\$
	Share capital	Contributed surplus	Retained earnings	Total
Opening balance, January 1, 2024	23,359,050	4,324,550	555,644	28,239,244
Net income for the period	-	-	2,127,667	2,127,667
Ending balance, June 30, 2024	23,359,050	4,324,550	2,683,311	30,366,911

The accompanying notes are an integral part of these interim financial statements.

Canso Select Opportunities Corporation
Interim Statements of Cash Flows
Six months ended June 30, 2025 and 2024
(Unaudited)

	2025	2024
	\$	\$
Operating Activities		
Net income	4,524,964	2,127,667
Adjustments for:		
Interest income re-invested	43	(10,619)
Dividend income re-invested	(32,413)	-
Realized loss on investment	47,817	4,021
Realized foreign exchange loss (gain)	14,859	(3,195)
Change in unrealized foreign exchange (gain) loss on investments	(107,577)	93,374
Change in unrealized appreciation on investments	(4,200,003)	(2,036,355)
Purchase of investments	(439,560)	-
Proceeds from sale of investments	26,048	50,376
Accrued interest	-	9,315
Dividend receivable	7,359	-
Prepaid expenses	15,317	(276)
Deferred tax assets	(46,368)	(45,720)
Deferred tax liabilities	563,518	257,430
Accounts payable and accrued liabilities	(71,224)	(46,989)
Net Cash Generated by Operating Activities	302,780	399,029
Cash and cash equivalents — Beginning of period	104,845	227,021
Cash and cash equivalents — End of period	407,625	626,050

The accompanying notes are an integral part of these interim financial statements.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2025
(Unaudited)

1. General Information

Canso Select Opportunities Corporation ("CSOC" or "Company") was incorporated by articles of incorporation under the Ontario Business Corporations Act on February 16, 2018. Effective September 4, 2018, the Class A Multiple Voting Shares and Class B Subordinate Voting Shares of CSOC were eligible to commence trading on the TSX Venture Exchange under the symbols CSOC.A representing the Class A Multiple Voting Shares and CSOC.B representing the Class B Subordinate Voting Shares. Canso Select Opportunities Fund ("CSOF") is a wholly-owned investment held by CSOC. CSOC indirectly holds all of the investments of CSOF through its ownership of CSOF.

CSOC is an Ontario-based investment corporation. The Company's registered head office is 100 York Blvd., Suite 550, Richmond Hill, Ontario, L4B 1J8. CSOC's investment objective is to provide capital gains and dividend income to its shareholders. Consistent with this objective, the Company evaluates potential investments in debt, public and private equity and other securities. The deployment of funds to new investments depends on both the attractiveness of new investment opportunities and the availability of capital as generated from the realization of value from existing portfolio investments.

2. Basis of Presentation and Material Accounting Policies

These unaudited interim financial statements of CSOC have been prepared in compliance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with IFRS. Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed.

The accounting policies applied by CSOC in these interim financial statements are the same as those applied by CSOC in its annual audited financial statements for the year ended December 31, 2024, which were prepared in accordance with IFRS. Since its inception, CSOC has applied IFRS 9, Financial Instruments, which deals with the recognition, derecognition, classification and measurement of financial instruments. CSOC has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to use judgement in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

There have been no changes in the critical accounting estimates and judgments which were set out in detail in Note 3 of CSOC's annual audited financial statements for the year ended December 31, 2024.

4. Share Capital

The Company is authorized to issue an unlimited number of shares of a class designated as Class A Multiple Voting Shares, an unlimited number of shares of a class designated as Class B Subordinate Voting Shares, and an unlimited number of shares of a class designated as Preference Shares. Share capital of the Company as stated in the financial statements is the same as the legal stated capital.

At June 30, 2025 share capital consists of the following:

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2025
(Unaudited)

4. Share Capital (Cont'd)

	Number of shares #	Amount \$
1,468,594 Class A Multiple Voting Shares		5,872,397
3,749,843 Class B Subordinate Voting Shares		17,486,653
		<u>23,359,050</u>
Class A Multiple Voting Shares:		
Class A Multiple Voting Shares outstanding, January 1, 2025	1,489,994	5,957,968
Conversion from Class A Multiple Voting Shares to Class B Subordinate Voting Shares	(21,400)	(85,571)
Class A Multiple Voting Shares outstanding, June 30, 2025	<u>1,468,594</u>	<u>5,872,397</u>
Class B Subordinate Voting Shares:		
Class B Subordinate Voting Shares outstanding, January 1, 2025	3,728,443	17,401,082
Conversion from Class A Multiple Voting Shares to Class B Subordinate Voting Shares	21,400	85,571
Class B Subordinate Voting Shares outstanding, June 30, 2025	<u>3,749,843</u>	<u>17,486,653</u>
	<u>5,218,437</u>	<u>23,359,050</u>

At December 31, 2024 share capital consisted of the following:

	Number of shares #	Amount \$
1,489,994 Class A Multiple Voting Shares		5,957,968
3,728,443 Class B Subordinate Voting Shares		17,401,082
		<u>23,359,050</u>
Class A Multiple Voting Shares:		
Class A Multiple Voting Shares outstanding, January 1, 2024	1,531,860	6,125,376
Conversion from Class A Multiple Voting Shares to Class B Subordinate Voting Shares	(41,866)	(167,408)
Class A Multiple Voting Shares outstanding, December 31, 2024	<u>1,489,994</u>	<u>5,957,968</u>
Class B Subordinate Voting Shares:		
Class B Subordinate Voting Shares outstanding, January 1, 2024	3,686,577	17,233,674
Conversion from Class A Multiple Voting Shares to Class B Subordinate Voting Shares	41,866	167,408
Class B Subordinate Voting Shares outstanding, December 31, 2024	<u>3,728,443</u>	<u>17,401,082</u>
	<u>5,218,437</u>	<u>23,359,050</u>

5. Related Party Transactions

CSOC has an operational services agreement with Canso Investment Counsel Ltd. ("Canso") that was originally entered into on August 1, 2018. The operational services agreement sets out that Canso will provide the day-to-day operational services to carry out the business affairs of CSOC. Under the terms of the agreement, there were no fees payable for services provided by Canso to CSOC for the first 24-month period and the term could be extended at 12-month periods as agreed to between the parties. The parties agreed to extend the no fee arrangement for the 12-month term ending on July 31, 2026. There were no management fees charged for the period ended June 30, 2025 (June 30, 2024 – \$Nil).

On January 13, 2023, CSOC purchased 70,000 Class A common shares of Lysander Funds Limited ("Lysander") from Canso Fund Management Ltd. ("CFM"), a company under common control, by issuing to CFM 2,440,239 Class B Subordinate Voting Shares of CSOC pursuant to a share purchase agreement dated October 17, 2022 (the "Transaction"). The consideration is \$12.25 million. Following the Transaction, CFM holds approximately 68% of CSOC's outstanding Class B Subordinate Voting Shares, which represents a voting position of 4.7%.

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2025
(Unaudited)

6. Investments

In determining whether CSOC has control or significant influence over an investment, CSOC assesses voting rights, the exposure to variable returns, and its ability to use the voting rights to affect the amount of the returns. CSOC qualifies as an investment entity under IFRS 10, and therefore accounts for investments it controls at fair value through profit and loss. CSOC has significant influence over Lysander because it controls 12% of Lysander and its representation on the board of directors of Lysander. As an investment entity, CSOC meets the exemption under IAS 28 that allows CSOC to elect to measure the investment in associates at fair value through profit or loss in accordance with IFRS 9. CSOC's primary purpose is defined by its investment objectives and uses the investment strategies available to it as defined in the Circular to meet those objectives. CSOC also measures and evaluates the performance of any investment on a fair value basis. As described in Note 1, CSOF is a wholly owned investment of CSOC.

As at June 30, 2025, CSOC's investment portfolio consists of equity and debt securities in 17 different issuers.

Description	Average Cost \$	Fair Value \$	% of Portfolio
Equities Held Long	16,993,645	29,758,893	98.02%
Air Canada	474,257	640,528	2.11%
BCE Inc.	751,122	596,662	1.97%
Bombardier Inc. Series 2 Preferred Shares	41,975	50,516	0.17%
Brill Power Limited Class A	105,559	23,237	0.08%
Quebecor Inc. Class B	354,534	414,500	1.37%
Fibracast	800,000	58,800	0.19%
GoPro Inc.	76,171	111,577	0.37%
Lysander Funds Limited	12,250,000	23,100,000	76.07%
New Horizon Aircraft Ltd	468,711	642,127	2.12%
New Horizon Aircraft Ltd Preferred Convertible	321,211	1,175,044	3.87%
HashTag Paid Inc. Series A-5 Preferred Shares	132,837	343,139	1.13%
HashTag Paid Inc. Series B-4 Preferred Shares	66,330	70,204	0.23%
MDA Space Ltd. (previously MDA Ltd.)	879,998	2,206,909	7.27%
Our Home and Miniature Land Inc. Warrants	-	-	0.00%
NorthStar Gaming Holdings Inc (Escrow)	1,217	97	0.00%
NorthStar Gaming Holdings Inc	7,337	641	0.00%
Portfolio HiWay Inc.	50,000	62,500	0.21%
Reformulary Group Inc.	200,000	250,000	0.82%
Smooth Payment Inc. May 12, 2031 Warrants	-	-	0.00%
Smooth Payment Inc. July 5, 2031 Warrants	-	-	0.00%
TC Fund I LP Class B	12,386	12,412	0.04%
Fixed Income	800,000	600,000	1.98%
Our Home and Miniature Land Inc. 10% January 27, 2026	400,000	400,000	1.32%
Smooth Payment Inc. 8.0% December 1, 2025	400,000	200,000	0.66%
CSOC's Investments at Fair Value through Profit or Loss	17,793,645	30,358,893	100.00%

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2025
(Unaudited)

6. Investments (Cont'd)

As at June 30, 2025, CSOF's investment portfolio consists of cash and cash equivalent, equity and debt securities in 21 different issuers.

Description	Average Cost \$	Fair Value \$	% of Portfolio
Cash & Cash Equivalents	883,127	883,129	5.99%
Cash	(96,744)	(96,744)	-0.66%
US Treasury Bill August 26, 2025	189,744	189,744	1.29%
Canada Government Bond 0.5% September 1, 2025	43,839	43,841	0.30%
Canada Treasury Bill August 27, 2025	746,288	746,288	5.06%
Equities Held Long	14,252,398	12,286,144	83.31%
Aegis Brands Inc. (previously Second Cup Ltd.)	3,400,936	338,069	2.29%
Air Canada	782,832	952,364	6.46%
Bird Construction Inc.	436,070	1,855,573	12.58%
Bombardier Inc. Series 2 Preferred Shares	235,350	283,566	1.92%
Bombardier Inc. Series 4 Preferred Shares	101,953	216,225	1.47%
BZ Holdings Inc.	-	2	0.00%
Canadian Life Companies Split	78,572	88,452	0.60%
Cineplex Inc	1,203,587	1,773,640	12.03%
Enbridge Inc	384,298	500,175	3.39%
Flint Corp (previously ClearStream Energy SVCS Inc.)	2,012,939	131,811	0.89%
Flint Corp Series 1 Preferred Shares (previously ClearStream Energy Services - Preferred)	729,400	393,871	2.67%
GoPro Inc	591,817	747,563	5.07%
Hertz Global Holdings Inc.	158,512	83,878	0.57%
Manulife Financial Group	694,689	1,400,737	9.50%
Match Group Inc	540,756	531,083	3.60%
Quebecor Inc. Class B	1,158,924	1,450,750	9.84%
Sun Life Financial Inc. Series 11 QR Preferred Shares	483,261	451,000	3.06%
X-Spectrum 1 Inc. (previously Xplornet Wireless Inc.)	86,844	5,969	0.04%
X-Spectrum 2 Inc. (previously Xplornet Mobile Inc.)	51,792	1	0.00%
Yellow Pages Limited	1,119,866	1,081,415	7.33%
Fixed Income	1,765,513	1,575,259	10.70%
Air Canada 4% July 1, 2025	207,684	169,380	1.15%
Latam Airlines Group 13.375% October 15, 2029	641,209	761,795	5.17%
Corus Entertainment Inc. 6% February 28, 2030	526,000	270,000	1.83%
Hertz 5% December 1, 2029	390,620	374,084	2.55%
Total	16,901,038	14,744,532	100.00%
Other Assets, Net of Liabilities		(25,562)	
CSOC's investment in CSOF at Fair Value Through Profit or Loss		14,718,970	

7. Fair Value Hierarchy

CSOC classifies financial instruments carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The following fair value hierarchy table presents information about CSOC's and CSOF's assets and liabilities measured at fair value, as described in Note 2, as at June 30, 2025 and December 31, 2024 (audited). During the period ended June 30, 2025, there were no transfers between levels (June 30, 2024 – Nil).

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2025
(Unaudited)

7. Fair Value Hierarchy (Cont'd)

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified as Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified as Level 3. Management assesses transfers at the time of an event that may cause reason for re-assessment of levelling. The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes observable data requires significant judgment by the investment committee. CSOC considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

As at June 30, 2025	Level 1	Level 2	Level 3	Total
Financial Assets	\$	\$	\$	\$
Fixed Income held in CSOF	-	1,575,259	-	1,575,259
Equities held in CSOF	11,886,303	-	399,841	12,286,144
Cash and cash equivalents held in CSOF	979,873	-	-	979,873
Fixed Income held in CSOC	-	-	600,000	600,000
Equities held in CSOC	4,663,557	1,175,044	23,920,292	29,758,893
Cash and cash equivalents	393,943	-	-	393,943
Total	17,923,676	2,750,303	24,920,133	45,594,112

As at June 30, 2025	Level 1	Level 2	Level 3	Total
Financial Liabilities	\$	\$	\$	\$
Fixed income held in CSOF	-	-	-	-
Total	-	-	-	-

As at December 31, 2024	Level 1	Level 2	Level 3	Total
Financial Assets	\$	\$	\$	\$
Fixed Income held in CSOF	-	2,386,400	503,370	2,889,770
Equities held in CSOF	9,924,948	-	396,371	10,321,319
Fixed Income held in CSOC	-	-	600,000	600,000
Equities held in CSOC	3,474,104	788,308	22,543,292	26,805,704
Total	13,399,052	3,174,708	24,043,033	40,616,793

As at December 31, 2024	Level 1	Level 2	Level 3	Total
Financial Liabilities	\$	\$	\$	\$
Fixed income held in CSOF	-	(519,472)	-	(519,472)
Total	-	(519,472)	-	(519,472)

Canso Select Opportunities Corporation
Notes to Interim Financial Statements
Six months ended June 30, 2025
(Unaudited)

7. Fair Value Hierarchy (Cont'd)

	June 30, 2025	December 31, 2024
Level 3 Reconciliation	\$	\$
Balance, beginning of year	24,043,033	17,930,005
Sales - CSOF	(1,251,766)	-
Conversion - CSOC	-	(500,000)
Realized gain, net - CSOF	785,181	-
Return on capital	-	(21,483)
Change in unrealized (depreciation) appreciation - CSOF	(33,315)	76,173
Change in unrealized appreciation - CSOC	1,377,000	6,558,338
Balance, end of year	24,920,133	24,043,033

The fair value of each Level 3 financial instrument is generally measured using unobservable market inputs with the best information available at the time. Various valuation techniques are utilized, depending on a number of factors including key inputs and assumptions, which are company specific and may include estimated discount rates and expected price volatilities.

The following section provides information regarding select Level 3 securities in both CSOC and CSOF over 2% of the portfolio. It includes a summary of the valuation techniques used and the sensitivity of the fair value of these securities to changes in input values.

Flint Corp. Series 1 Preferred Shares

Price: \$540.29

Valuation Technique: Relative value technique

Unobservable Inputs: FLINT Corp. Senior Secured Bond price (from third party)

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$162.09, or an increase or decrease in net assets of \$118,161.

Lysander Funds Limited

Price: \$330.00

Valuation technique: Relative value

Unobservable inputs: The primary unobservable inputs for this security are the company's financial metrics, AUM, valuation multiples of comparable publicly traded asset managers, and a discount for lack of liquidity

Change in input values: A reasonably possible change to the value of market comparables could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$99, or an increase or decrease in net assets of \$6,930,000.

8. Contingency

The Company may be a party to legal proceedings. The Company believes that each such proceeding constitutes a routine matter incidental to the business conducted by the Company. The Company cannot determine the ultimate outcome of all the outstanding claims but believes the ultimate disposition of the proceedings will not have a material adverse effect on its earnings, cash flow or financial position.

9. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on August 26, 2025.